



BOARD OF EQUALIZATION

PROPERTY TAX COMMITTEE MEETING MINUTES

HONORABLE GEORGE RUNNER, COMMITTEE CHAIR

5901 GREEN VALLEY CIRCLE, CULVER CITY

FEBRUARY 25, 2014 - 9:30 A.M.

ACTION ITEM

Agenda Item No: 1

Title:

Property Tax Rule 133, *Business Inventory Exemption*

Issue:

Should the State Board of Equalization authorize publication of amendments to Property Tax Rule 133, *Business Inventory Exemption*?

Committee Discussion:

Committee Chair Runner opened the Committee meeting by introducing the agenda item and asked staff to give a report on the issue.

Dean Kinnee, Chief, County-Assessed Properties Division, gave the Committee an overview of the interested parties process for the proposed revisions to the rule. Mr. Kinnee explained that subsequent to the distribution of the Issue Paper for this item, additional suggested revisions were made to the rule language, and that the Committee Members had been provided with those changes in a separate handout. The revised proposed language for Rule 133, subdivision (a)(2)(E), reads:

(E) Space flight property, not operationally reusable, listed in the International Traffic in Arms Regulations on the United States Munitions List (22 CFR § 121.1), the control over which is relinquished by the owner upon launch.

(i) "Space flight" means any flight designed for suborbital, orbital, or interplanetary travel.

(ii) The phrase "control over which is relinquished upon launch" means the transfer of control to a federal launch safety authority for space flight termination purposes.

Speakers making a presentation in opposition to the rule revision language were:

Sharon Moller, Chief Deputy Assessor, County of Los Angeles

Honorable Larry Stone, Assessor, County of Santa Clara

Honorable Larry Ward, President, California Assessors' Association
Albert Ramseyer, Deputy County Counsel, County of Los Angeles

Speakers making presentations in support of the rule revision language were:

Dennis Loper, SpaceX
Marty Dakessian, Reed Smith
Joe Vinatieri, Bewley, Lassleben & Miller
Debra Reynolds-Clark, United Launch Alliance

Member Yee expressed concern about the lack of clarity of who actually has control of the equipment during a launch and the legal federal authority relating to relinquishing control.

Member Horton reiterated that action to initiate the rulemaking process was not a final decision on the proposed language, and indicated that the rulemaking process does not have to be expedited.

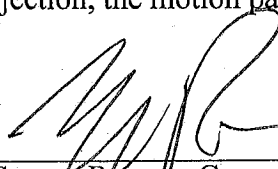
Committee Action:

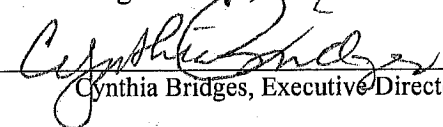
Member Yee made a motion to recommend publication of proposed revisions to Rule 133 with two provisions:

1. More information must be obtained regarding the factual control of the equipment before, during, and after a launch.
2. More information must be obtained regarding the legal control of the equipment, with emphasis and discussion about the federal statutes and authorities involved in a launch.

The motion was seconded by Member Horton. Without objection, the motion passed.

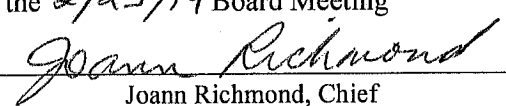
Approved:


George Runner, Committee Chair


Cynthia Bridges, Executive Director

BOARD APPROVED

At the 2/25/14 Board Meeting


Joann Richmond, Chief
Board Proceedings Division